

106TH CONGRESS
2D SESSION

S. 2819

To provide for the establishment of an assistance program for health insurance consumers.

IN THE SENATE OF THE UNITED STATES

JUNE 29, 2000

Mr. REED (for himself and Mr. JEFFORDS) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

To provide for the establishment of an assistance program for health insurance consumers.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Health Care Consumer
5 Assistance Act”.

6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

8 (1) People with health care insurance or cov-
9 erage have many more options with respect to cov-
10 erage of, payment or payments for, items, services or

1 treatments. Also, their health plans, coverages,
2 rights, and providers are frequently being reorga-
3 nized, expanded, or limited.

4 (2) All consumers need information and assist-
5 ance to understand their health insurance choices
6 and to maximize their access to needed health serv-
7 ices. Many do not understand their health care
8 rights or how to exercise them, despite the current
9 efforts of both the public and private sectors.

10 (3) Few people with health care coverage have
11 independent credible sources of information or as-
12 sistance to guide their decisionmaking or to help re-
13 solve problems.

14 (4) It is important to maintain and strengthen
15 a productive working relationship between all con-
16 sumers and their health care professionals and
17 health insurance providers.

18 (5) Federally initiated health care consumer as-
19 sistance and information programs targeted to con-
20 sumers of long-term care and to medicare bene-
21 ficiaries under title XVIII of the Social Security Act
22 (42 U.S.C. 1395 et seq.) are effective, as are a num-
23 ber of State and local consumer assistance initia-
24 tives.

1 (6) The principles, policies, and practices of
2 health care providers for delivering safe, effective,
3 and accessible health care can be enriched by State-
4 based collaborative, independent education, problem
5 resolution, and feedback programs. Health care con-
6 sumer assistance programs have proven their ability
7 to meet this challenge.

8 (7) Health care consumers want and need reli-
9 able information about their health care options that
10 integrates data and effective resolution strategies
11 from the full range of available resources. Health
12 care consumer assistance programs can provide that
13 reliable, problem-solving information to help in navi-
14 gating the health care system.

15 (8) Health care delivered to individuals and
16 within communities can be improved by collecting
17 and examining consumers' experiences, questions,
18 and problems and the ways in which their questions
19 and problems are resolved. Health care consumer as-
20 sistance programs can educate and inform con-
21 sumers to be more effective, self-directed health care
22 consumers.

23 (9) Many states have created health care con-
24 sumer assistance programs. The Federal Govern-
25 ment can assist the States in developing and main-

1 taining effective health care consumer assistance
2 programs.

3 **SEC. 3. GRANTS.**

4 (a) IN GENERAL.—The Secretary of Health and
5 Human Services (referred to in this Act as the “Sec-
6 retary”) shall award grants to States to enable such
7 States to establish and administer (including the adminis-
8 tration of programs established by States prior to the en-
9 actment of this Act) consumer assistance programs de-
10 signed to provide information, assistance, and referrals to
11 consumers of health insurance products.

12 (b) STATE ELIGIBILITY.—To be eligible to receive a
13 grant under this section a State shall prepare and submit
14 to the Secretary an application at such time, in such man-
15 ner, and containing such information as the Secretary may
16 require, including a State plan that describes—

17 (1) the manner in which the State will estab-
18 lish, or solicit proposals for, and enter into a con-
19 tract with, an entity eligible under subsection (d) to
20 serve as the health care consumer assistance office
21 for the State;

22 (2) the manner in which the State will ensure
23 that the health care consumer assistance office will
24 assist health care consumers in accessing needed

1 care by educating and assisting health insurance en-
2 rollees to be responsible and informed consumers;

3 (3) the manner in which the State will coordi-
4 nate and distinguish the services provided by the
5 health care consumer assistance office with the serv-
6 ices provided by the long-term care ombudsman au-
7 thorized by the Older Americans Act of 1965 (42
8 U.S.C. 3001 et seq.), the State health insurance in-
9 formation program authorized under section 4360 of
10 the Omnibus Budget Reconciliation Act of 1990 (42
11 U.S.C. 1395b–4), the protection and advocacy pro-
12 gram authorized under the Protection and Advocacy
13 for Mentally Ill Individuals Act of 1986 (42 U.S.C.
14 10801 et seq.), and any other programs that provide
15 information and assistance to health care consumers;

16 (4) the manner in which the State will coordi-
17 nate and distinguish the health care consumer as-
18 sistance office and its services from enrollment serv-
19 ices provided under the medicaid and State chil-
20 dren’s health insurance programs under titles XIX
21 and XXI of the Social Security Act (42 U.S.C. 1396
22 et seq. and 1397aa et seq.), and medicare and med-
23 icaid health care fraud and abuse activities including
24 those authorized by Federal law under title 11 of the
25 Social Security Act (42 U.S.C. 1301 et seq.);

1 (5) the manner in which the State will provide
2 services to underserved and minority populations
3 and populations residing in rural areas;

4 (6) the manner in which the State will establish
5 and implement procedures and protocols to ensure
6 the confidentiality of all information shared by con-
7 sumers and their health care providers, health plans,
8 or insurers with the office established under sub-
9 section (d)(1) and to ensure that no such informa-
10 tion is used, released or referred without the express
11 permission of the consumer, except to the extent
12 that the office collects or uses aggregate information
13 as described in section 4(c)(8);

14 (7) the manner in which the State will provide
15 for the collection of non-Federal contributions for
16 the operations of the office in an amount that is not
17 less than 30 percent of the amount of Federal funds
18 provided under this Act; and

19 (8) the manner in which the State will ensure
20 that funds made available under this Act will be
21 used to supplement, and not supplant, any other
22 Federal, State, or local funds expended to provide
23 services for programs described under this Act and
24 those described in paragraphs (3) and (4).

25 (c) AMOUNT OF GRANT.—

1 (1) IN GENERAL.—From amounts appropriated
2 under section 4 for a fiscal year, the Secretary shall
3 award a grant to a State in an amount that bears
4 the same ratio to such amounts as the number of in-
5 dividuals within the State covered under a health in-
6 surance plan (as determined by the Secretary) bears
7 to the total number of individuals covered under a
8 health insurance plan in all States (as determined by
9 the Secretary). Any amounts provided to a State
10 under this section that are not used by the State
11 shall be remitted to the Secretary and reallocated in
12 accordance with this paragraph.

13 (2) MINIMUM AMOUNT.—In no case shall the
14 amount provided to a State under a grant under this
15 section for a fiscal year be less than an amount
16 equal to .5 percent of the amount appropriated for
17 such fiscal year under section 5.

18 (d) PROVISION OF FUNDS FOR ESTABLISHMENT OF
19 OFFICE.—

20 (1) IN GENERAL.—From amounts provided
21 under a grant under this section, a State shall, di-
22 rectly or through a contract with an independent,
23 nonprofit entity with demonstrated experience in
24 serving the needs of health care consumers, provide

1 for the establishment and operation of a State
2 health care consumer assistance office.

3 (2) ELIGIBILITY OF ENTITY.—To be eligible to
4 enter into a contract under paragraph (1), an entity
5 shall demonstrate that the entity has the technical,
6 organizational, and professional capacity to deliver
7 the services described in section 4 throughout the
8 State to all public and private health insurance con-
9 sumers.

10 **SEC. 4. USE OF FUNDS.**

11 (a) BY STATE.—

12 (1) IN GENERAL.—A State shall use amounts
13 received under a grant under this Act to establish
14 and operate a health insurance consumer assistance
15 office as provided for in this section and section
16 3(d).

17 (2) NONCOMPLIANCE.—If the State fails to
18 enter into or renew a contract for the operation of
19 a State health insurance consumer assistance office,
20 the Secretary shall reallocate amounts to be provided
21 to the State under this Act.

22 (b) BY ENTITY.—An entity that enters into a con-
23 tract with a State under section 3(d) shall use amounts
24 received under the contract to establish and operate a
25 health insurance consumer assistance office.

1 (c) ACTIVITIES OF OFFICE.—A health insurance con-
2 sumer assistance office established under this Act shall—

3 (1) operate a toll-free telephone hotline to re-
4 spond to requests for information and assistance
5 with health care problems and assist all health in-
6 surance consumers to navigate the health care sys-
7 tem;

8 (2) acquire or produce and disseminate cul-
9 turally and language appropriate educational mate-
10 rials concerning health insurance products available
11 within the State, how best to access health care, and
12 the rights and responsibilities of the health care con-
13 sumer;

14 (3) educate health care consumers about strate-
15 gies that such consumers can implement to promptly
16 and efficiently resolve inquiries, problems, and griev-
17 ances related to health insurance and access to
18 health care;

19 (4) refer health care consumers to appropriate
20 private and public entities so that inquiries, prob-
21 lems, and grievances with respect to health insur-
22 ance and access to health care can be handled
23 promptly and efficiently;

24 (5) coordinate with health organizations in the
25 State, State health-insurance related agencies, and

1 State organizations responsible for administering the
2 programs described listed in paragraphs (3) and (4)
3 of section 3(b) so as to maximize the ability of con-
4 sumers to resolve health care questions and prob-
5 lems and achieve the best health care outcomes;

6 (6) conduct education and outreach within the
7 State in partnership with consumers, health plans,
8 health care providers, health care payers and govern-
9 mental agencies with health oversight responsibil-
10 ities;

11 (7) provide information to consumers about an
12 internal, external, or administrative grievance or ap-
13 peals procedure (in nonlitigative settings) to appeal
14 the denial, termination, or reduction of health care
15 services, or the refusal to pay for such services,
16 under a health insurance plan; and

17 (8) provide information to State agencies, em-
18 ployers, health plans, insurers, and the general pub-
19 lic concerning the kinds of inquiries, problems, and
20 grievances handled by the office.

21 (d) CONFIDENTIALITY AND ACCESS TO INFORMA-
22 TION.—The health insurance consumer assistance office of
23 a State shall establish and implement procedures and pro-
24 tocols to ensure the confidentiality of all information
25 shared by consumers and their health care providers,

1 health plans, or insurers with the office and to ensure that
 2 no such information is used, released, or referred to State
 3 agencies or outside entities without the expressed permis-
 4 sion of the consumer, except to the extent that the office
 5 collects or uses aggregate information described in sub-
 6 section (c)(8).

7 (e) AVAILABILITY OF SERVICES.—The health insur-
 8 ance consumer assistance office of a State shall not dis-
 9 criminate in the provision of information and referrals re-
 10 gardless of the source of the individual’s health insurance
 11 coverage or prospective coverage, including individuals
 12 covered under employer-provided insurance, self-funded
 13 plans, the medicare or medicaid programs under title
 14 XVII or XIX of the Social Security Act (42 U.S.C. 1395
 15 and 1396 et seq.), or under any other Federal or State
 16 health care program.

17 (f) DESIGNATION OF RESPONSIBILITIES.—

18 (1) WITHIN EXISTING STATE ENTITY.—If the
 19 health insurance consumer assistance office of a
 20 State is located within an existing State regulatory
 21 agency or office of an elected State official, the
 22 State shall ensure that—

23 (A) there is a separate delineation of the
 24 funding, activities, and responsibilities of the of-

1 fice as compared to the other funding, activi-
2 ties, and responsibilities of the agency; and

3 (B) the office establishes and implements
4 procedures and protocols to ensure the con-
5 fidentiality of all information shared by con-
6 sumers and their health care providers, health
7 plans, or insurers with the office and to ensure
8 that no information is transferred or released to
9 the State agency or office without the expressed
10 permission of the consumer.

11 (2) CONTRACT ENTITY.—In the case of an enti-
12 ty that enters into a contract with a State under
13 section 3(d), the entity shall provide assurances that
14 the entity has no real or perceived conflict of inter-
15 est in providing advice and assistance to consumers
16 regarding health insurance and that the entity is
17 independent of health insurance plans, companies,
18 providers, payers, and regulators of care.

19 (g) SUBCONTRACTS.—The health insurance con-
20 sumer assistance office of a State may carry out activities
21 and provide services through contracts entered into with
22 1 or more nonprofit entities so long as the office can dem-
23 onstrate that all of the requirements of this Act are com-
24 plied with by the office.

25 (i) TRAINING.—

1 (1) IN GENERAL.—The health insurance con-
2 sumer assistance office of a State shall ensure that
3 personnel employed by the office possess the skills,
4 expertise, and information necessary to provide the
5 services described in subsection (c).

6 (2) CONTRACTS.—To meet the requirement of
7 paragraph (1), an office may enter into contracts
8 with 1 or more nonprofit entities for the training
9 (both through technical and educational assistance)
10 of personnel and volunteers. To be eligible to receive
11 a contract under this paragraph, an entity shall be
12 independent of health insurance plans, companies,
13 providers, payers, and regulators of care.

14 (3) LIMITATION.—An amount not to exceed 7
15 percent of the amount awarded to an entity under
16 a contract under section 3(d) for a fiscal year may
17 be used for the provision of training under this sec-
18 tion.

19 (j) ADMINISTRATIVE COSTS.—An amount not to ex-
20 ceed 1 percent of the amount of a grant awarded to the
21 State under this Act for a fiscal year may be used by the
22 State for administrative expenses.

23 (k) TERM.—A contract entered into under this sec-
24 tion shall be for a term of 3 years.

1 **SEC. 5. FUNDING.**

2 There are authorized to be appropriated
3 \$100,000,000 to carry out this Act.

4 **SEC. 6. REPORT OF THE SECRETARY.**

5 Not later than 1 year after the date of enactment
6 of this Act, and annually thereafter, the Secretary shall
7 prepare and submit to the appropriate committees of Con-
8 gress a report that contains—

9 (1) a determination by the Secretary of whether
10 amounts appropriated to carry out this Act for the
11 fiscal year for which the report is being prepared are
12 sufficient to fully fund this Act in such fiscal year;

13 (2) with respect to a fiscal year for which the
14 Secretary determines under paragraph (1) that suf-
15 ficient amounts are not appropriated, the rec-
16 ommendations of the Secretary for fully funding this
17 Act through the use of additional funding sources;
18 and

19 (3) information on States that have been
20 awarded a grant under this Act and a summary of
21 the activities of such States and the data that is
22 produced.

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